

Government Finance Roundtable™
August 2009

Elevating the Finance Executive's Influence

From Facts to Insight



Overview of the Corporate Executive Board

Corporate Profile

- Over 4,700 companies worldwide are represented in our member network
- Over 80% of Fortune 500 companies belong to one or more of our membership programs
- Full time staff of more than 2,500 are located in our six offices worldwide

Practice Areas and Individual Memberships of the Corporate Executive Board

Financial Services	Human Resources	Strategy, Innovation, and Management	Sales, Marketing, and Communications	Information Technology	Operations and Procurement	Corporate Finance	Legal and Governance	Board of Directors
Business Banking Board	Corporate Leadership Council	Corporate Strategy Board	Sales Executive Council	CIO Executive Board	Supply Chain Executive Board	CFO Executive Board	General Counsel Roundtable	Audit Committee Leadership Forum
Council on Financial Competition	Recruiting Roundtable	Research and Technology Executive Council	Marketing Leadership Council	Infrastructure Executive Council	Procurement Strategy Council	Government Finance Roundtable	Compliance and Ethics Leadership Council	
Insurance Advisory Board	Learning and Development Roundtable	Business Leadership Forum	Market Research Executive Board	Applications Executive Council	Real Estate Executive Board	Audit Director Roundtable		
Operations Council	Benefits Roundtable		Communications Executive Council	Information Risk Executive Council	Quality Executive Board	Controllers' Leadership Roundtable		
Retirement Services Roundtable	Compensation Roundtable		Customer Contact Council	PMO Executive Council		Treasury Leadership Roundtable		
The VIP Forum	HR Executive Forum		Advertising and Marketing Communications Roundtable	Data Center Operations Council		Tax Director Roundtable		
			Sales Operations Excellence Center	Enterprise Architecture Executive Council		Shared Services Roundtable		
				Infrastructure Performance Improvement Labs		Investor Relations Roundtable		

What We Will Cover

- How to think about an executive presentation
- How to structure, translate, and script your narrative
- How to deliver insights that matter

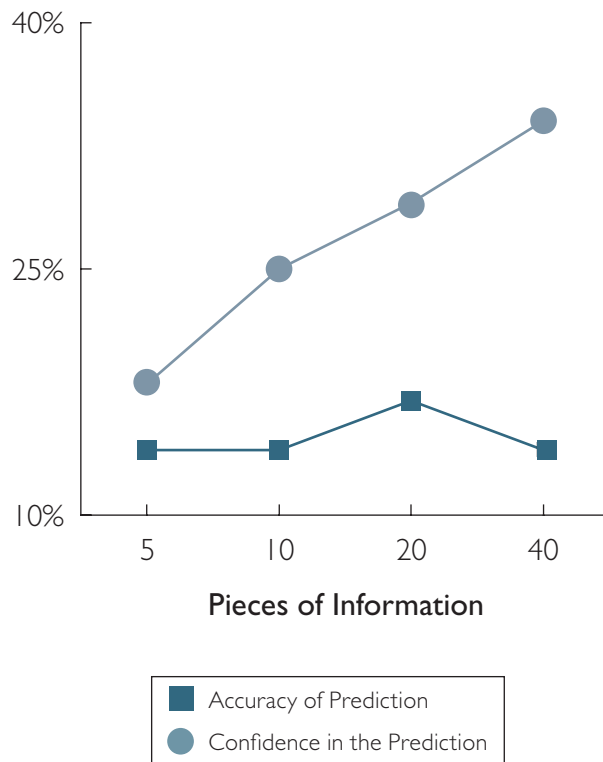
What We Won't Cover (That Is Essential!)

- How to do business analysis
- How to tailor your presentation for different audiences

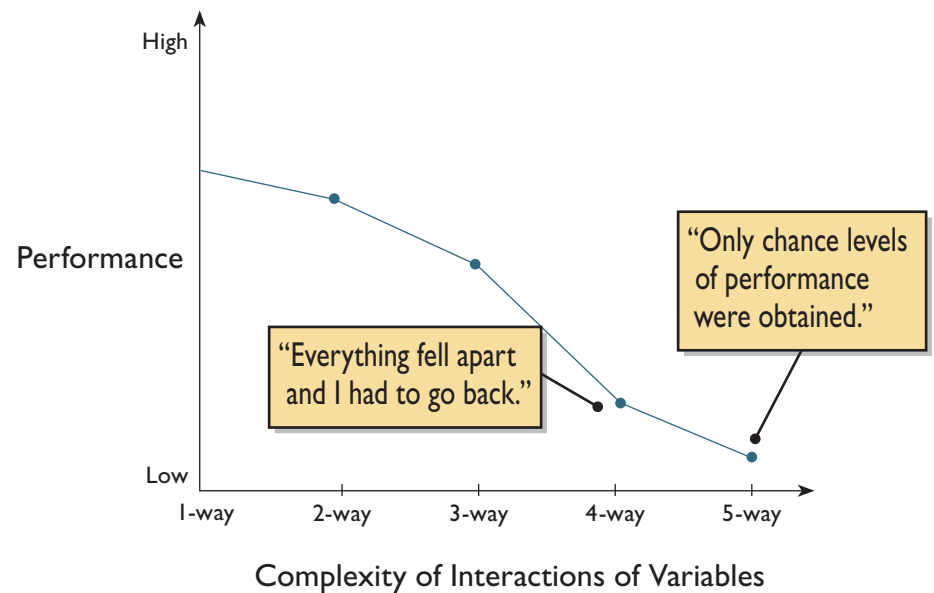
Counterintuitive Consideration

A wealth of behavioral research suggests that more data can prove detrimental to good decision making

Confidence and Accuracy of Bookmakers
in Predicting Race Outcomes
Using Self-Selected “Important Variables”



How Many Variables Can Humans Process?
Study of 30 Academics, Illustrative

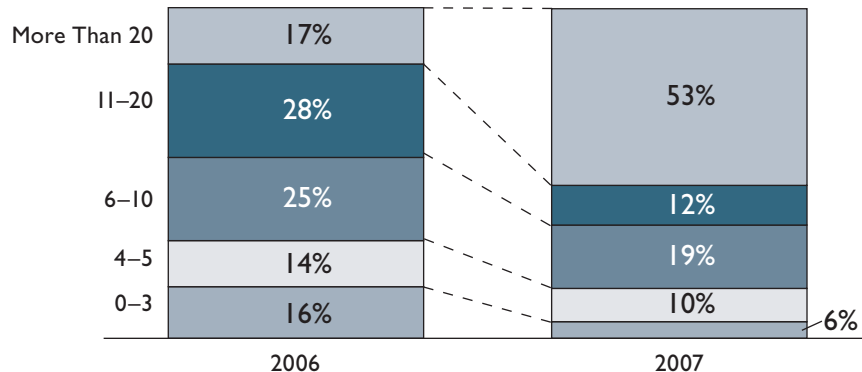


A Valiant Effort

Finance departments are producing large and growing volumes of reports...

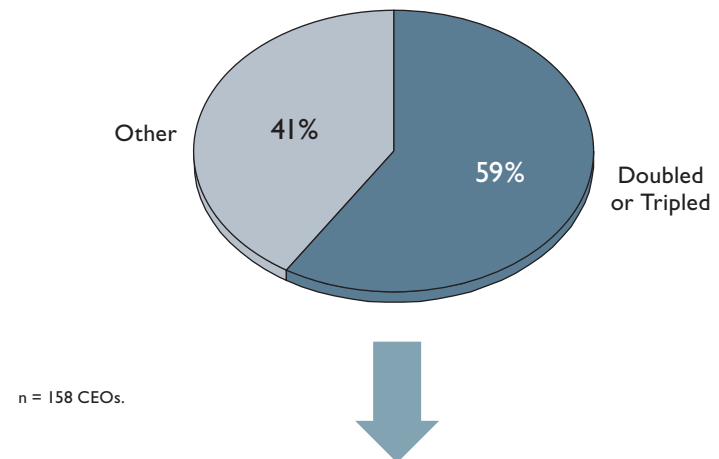
...using significant resources to provide executives with performance data

Average Number of Pages per Executive Report
Percentage of Respondents



n = 48.

Increase in Amount of Data Reviewed by Executives Over Past Two Years

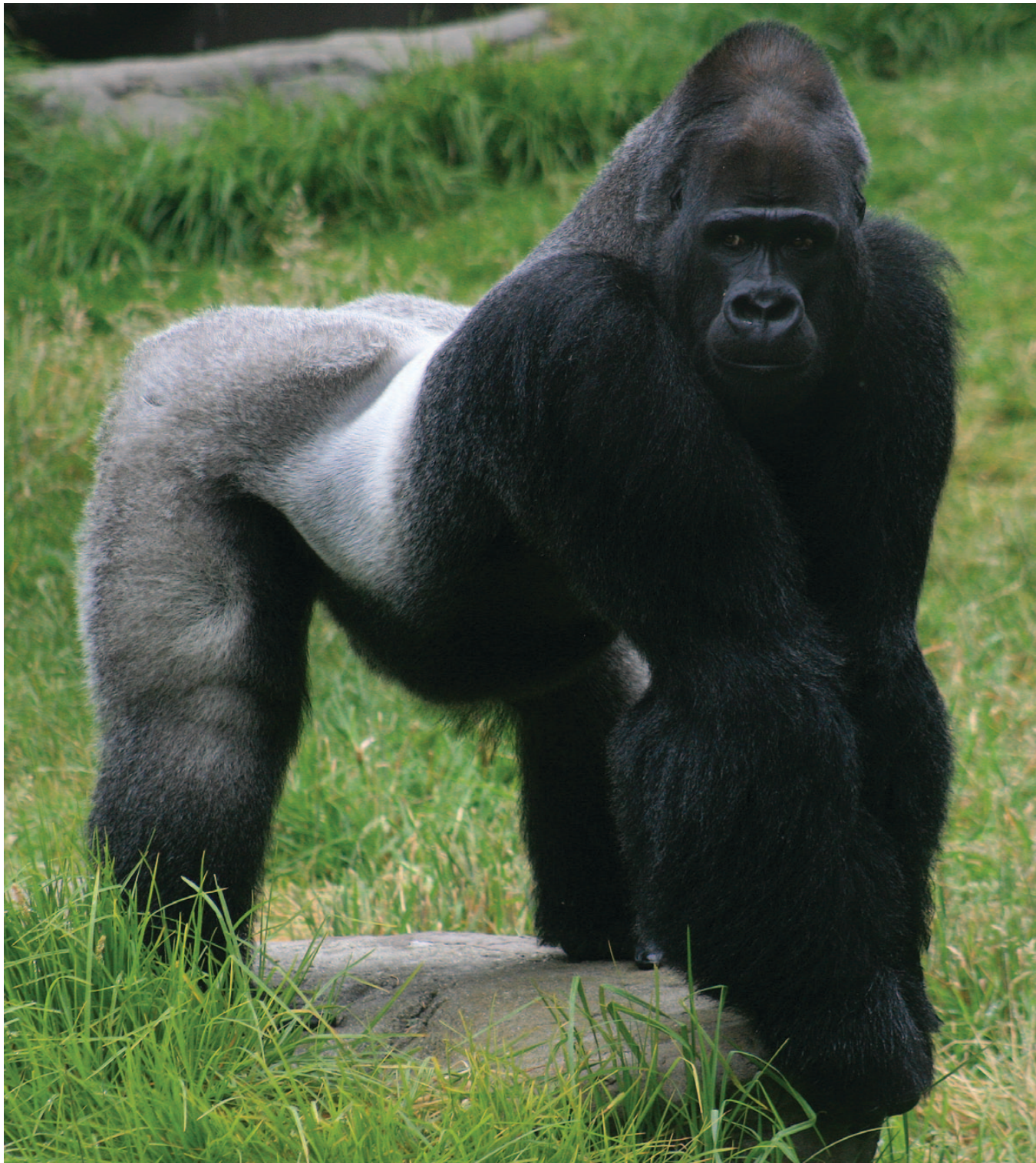


Reporting Statistics

- Average length of management report 30-40 pages
- Data points 12,000-15,000
- Average amount of information included that managers find useful 5%

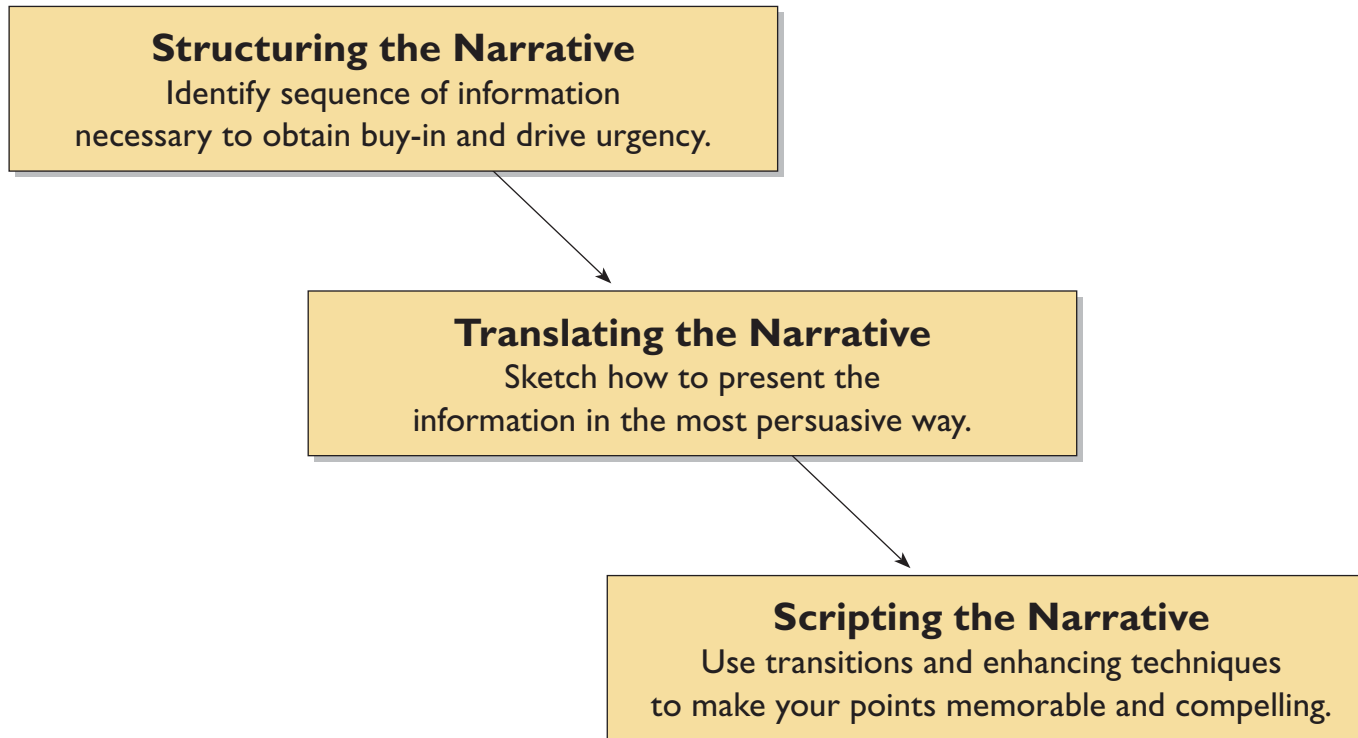
* FTEs involved in the creation and dissemination of management reports.

Source: Controllers' Leadership Roundtable research; Government Finance Roundtable research.



Articulating the Narrative

The story you want to tell and the action you want to drive



Production Process

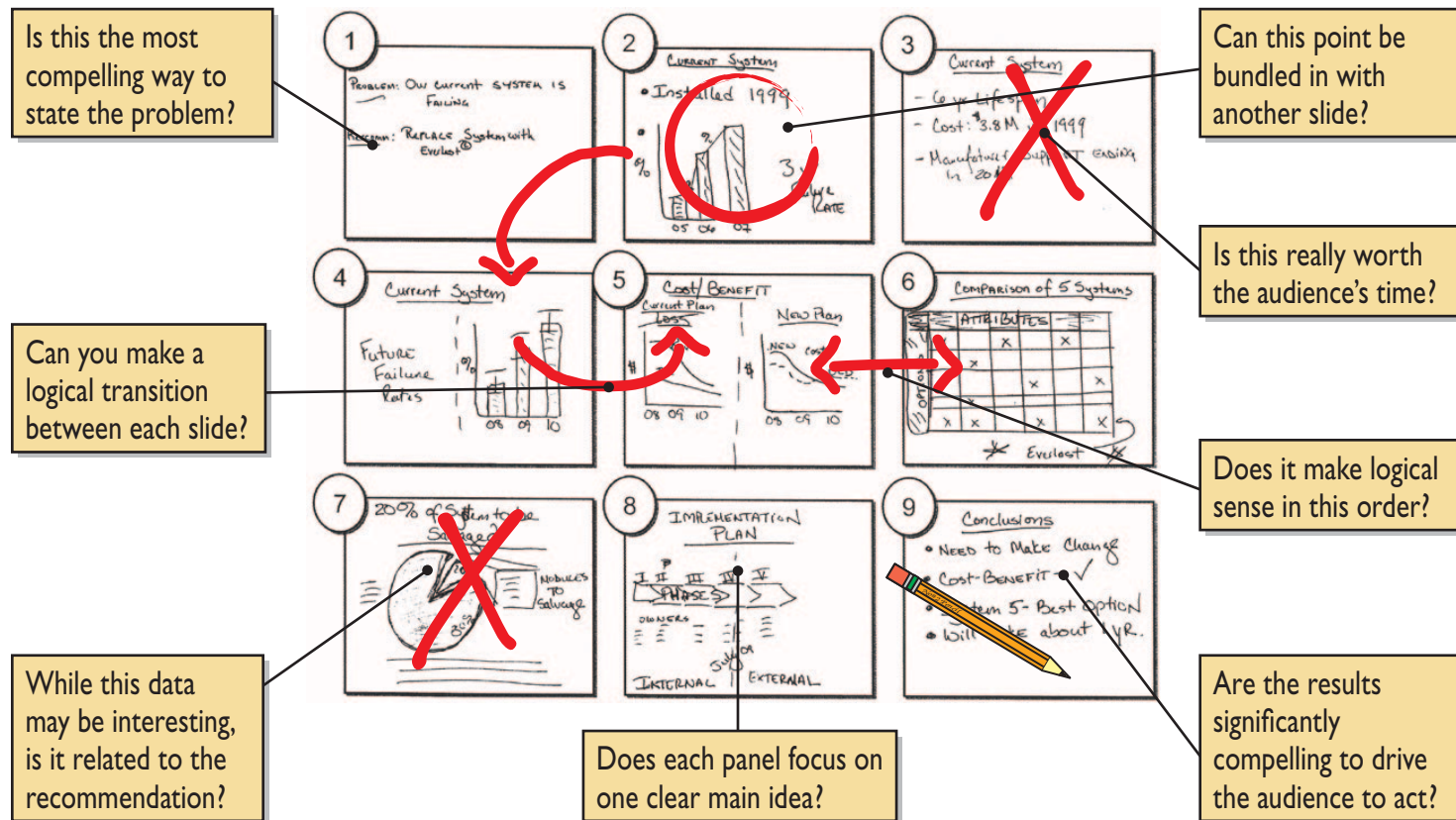
To create a storyboard, you need to isolate the key points that you would like to communicate, outline the story flow, and create a rough page-to-page structure for the entire presentation

Verify
Logical Flow

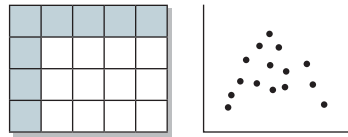
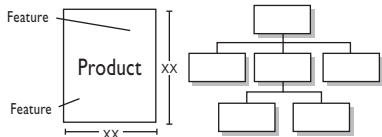
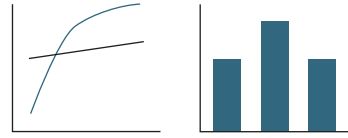

Evaluate the
Persuasiveness of the Panel

Confirm that the Panel
Supports the Main Ideas


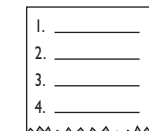
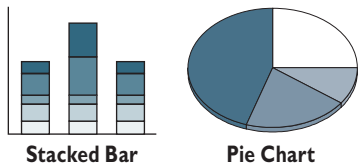
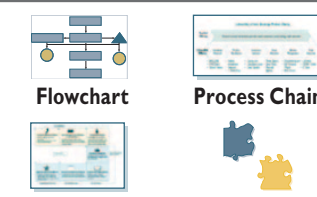
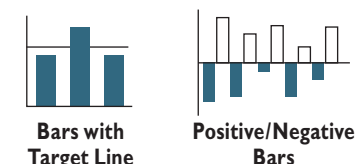
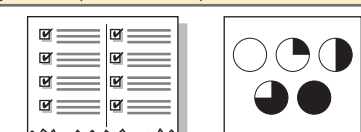
Working Storyboard



A Picture Is Worth a Thousand Words

Key Purpose	Keywords	Quantitative Graphics	Qualitative Graphics
Appearance Showing what something looks like	<ul style="list-style-type: none"> • Attributes • Dimensions • Characteristics • Description of... 	 <p>Table Scatter Plot</p> <p>For example: Sales data by product and region (Table); Customers plotted by revenue and product investment (Scatterplot).</p>	 <p>Portrait Hierarchy</p> <p>For example: Product specs (Portrait); Product team (Hierarchy)</p>
Time Progression Showing data trends or movement over time	<ul style="list-style-type: none"> • Change • Growth/Decline • Increasing/Decreasing • Fluctuating 	 <p>Line Graph Vertical Bars</p> <p>For example: Project benefits versus costs, over time (Line Graph); Resources needed for project, over time (Vertical Bar)</p>	 <p>Timeline Cycle</p> <p>For example: Schedule of deliverables (Timeline); Iterative review schedule (Cycle)</p>

A Picture Is Worth a Thousand Words (Continued)

Key Purpose	Keywords	Quantitative Graphics	Qualitative Graphics
Ranking Showing how values relate to each other in size	<ul style="list-style-type: none"> • Larger/Smaller Than... • Greater/Less Than... • Equal to... 	 <p>Region C Region A Region B</p> <p>Single Bars Paired Bars</p> <p>For example: Customer acquisition cost, by region (Single Bars); Acquisition cost versus competitor, by region (Paired Bars)</p>	 <p>1. _____ 2. _____ 3. _____ 4. _____</p> <p>Ranked List</p> <p>For example: Top priorities for the quarter</p>
Part-to-Whole Showing how individual pieces fit in the whole set	<ul style="list-style-type: none"> • Share/Contribution • Percentage of Total • Accounted for X Percent 	 <p>Stacked Bar Pie Chart</p> <p>For example: Product mix (Stacked Bar); Resource allocation (Pie Chart)</p>	 <p>Flowchart Process Chain Game Board Puzzle Pieces</p> <p>For example: Project process (Flowchart); Project stages (Game Board or Process Chain); Project components (Puzzle Pieces)</p>
Deviation Showing how one set of values differs from another	<ul style="list-style-type: none"> • Plus or Minus • Variance • Difference • Relative to... 	 <p>Bars with Target Line Positive/Negative Bars</p> <p>For example: Achievement of goal (Target Line); Profit/Debt (Positive/Negative Bars)</p>	 <p>Comparative List Harvey Balls</p> <p>For example: Contrast of solution benefits (Comparative List); Results of decision model (Harvey Balls)</p>

Anatomy of a Page

When creating pages for your presentation, there are a few things on which you want to focus:

- ✓ Ensure that your key point is reinforced by the content of the page
- ✓ Ensure that you provide enough detail to get your point across, but not too much that it distracts from your point
- ✓ Ensure that the page is balanced and that there is sufficient white space
- ✓ Ensure that this page sets up the next one

Page Title: Drives home the point of the slide by being strong and clear.

ADDITIONAL DEMANDS, SAME RESOURCES

While the need for new skills in finance is at the top of the CFO agenda...

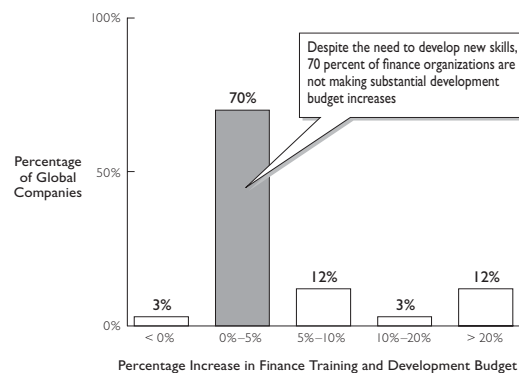
Key Priorities for the Finance Function, 2003

Top Five Global CFO Agenda Items

1. Increase Forecasting and Planning Efficiency
2. Standardize Finance Processes and Information
3. Upgrade Skills and Competencies of Finance Staff
4. Improve Support of Line Decisions
5. Improve Rigor of Business Unit Portfolio Management

...finance organizations have failed to substantially increase resources for talent development

Increase in Company Finance Training and Development Budget from 2003 to 2004



n = 67.

Source: Working Council for Chief Financial Officers, *Vision of the Future for Finance*, 2003; Working Council for Chief Financial Officers, 2003 Benchmarking Initiative.

Call Out Box: Draws attention to key points on the slide.

Footnotes: Provide additional information about the graphic.

* Excludes all CFO turnover due to merger and acquisition activity; 2000–2002 subset of 1995–2003 turnover data.

BUILDING THE NEXT-GENERATION FINANCE TEAM

Source: Shows the origin of material and lends credibility to your argument.

9

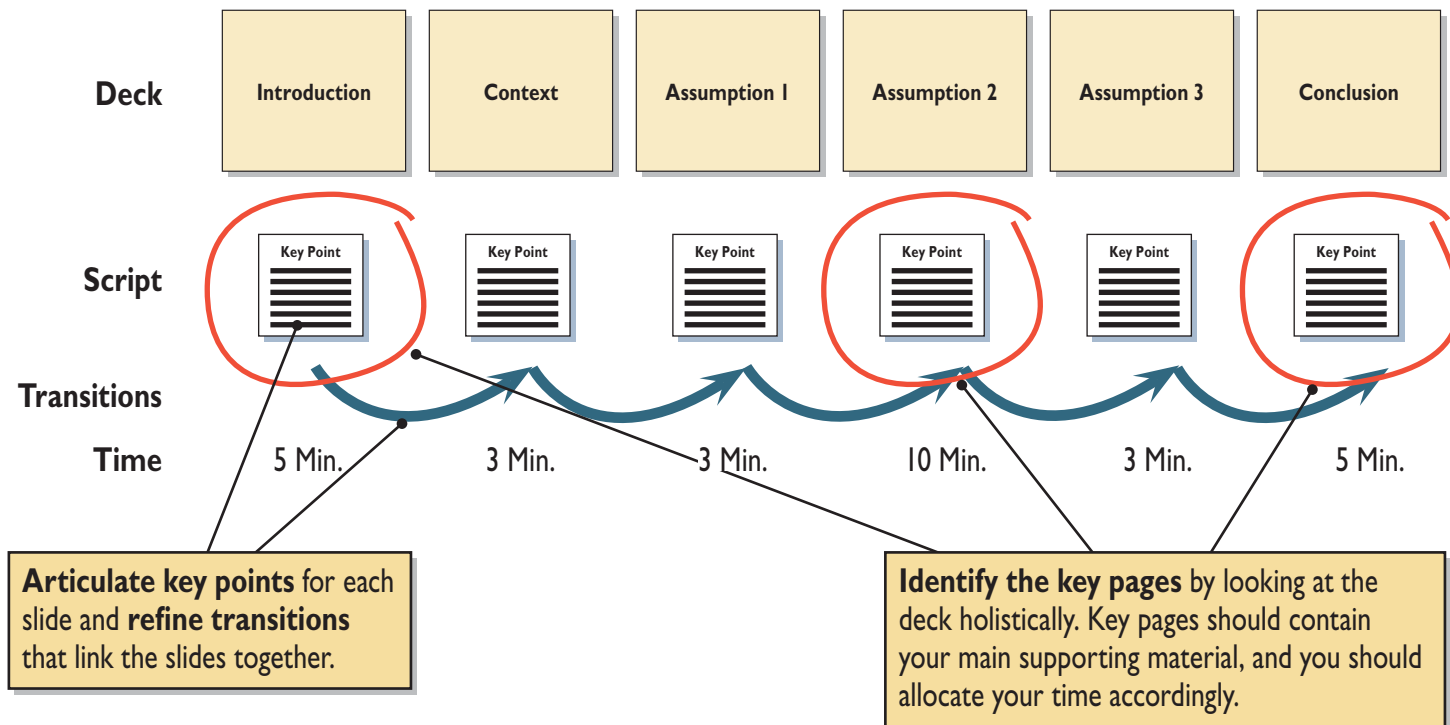
Scripting the Narrative

A script is a clear, succinct way to convey the narrative. It provides detail, color, and legitimacy to the deck. To create an effective script, think about the entire presentation then write material for individual slides.

A good script encourages:

- ✓ Economy of language
- ✓ Force of ideas

Illustrative Narrative

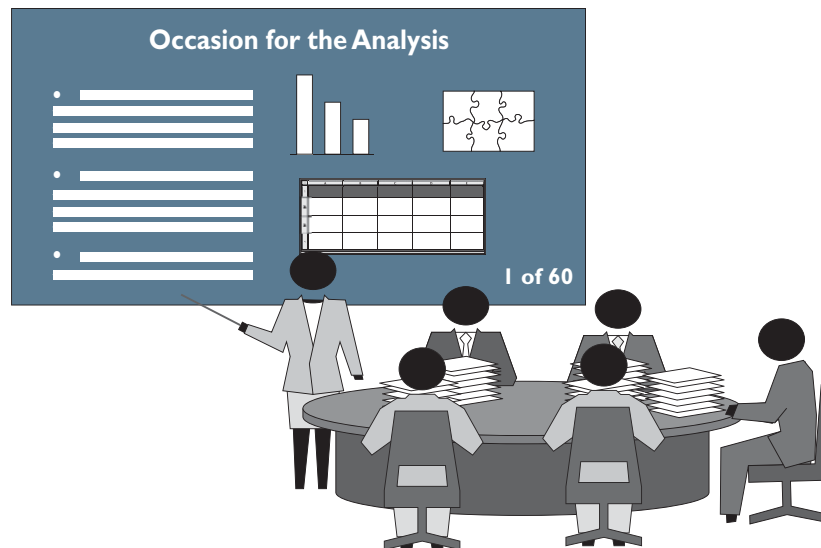


Seven Slide Rule

Limiting presentations to senior management to seven slides forces Finance to focus on the most salient learnings

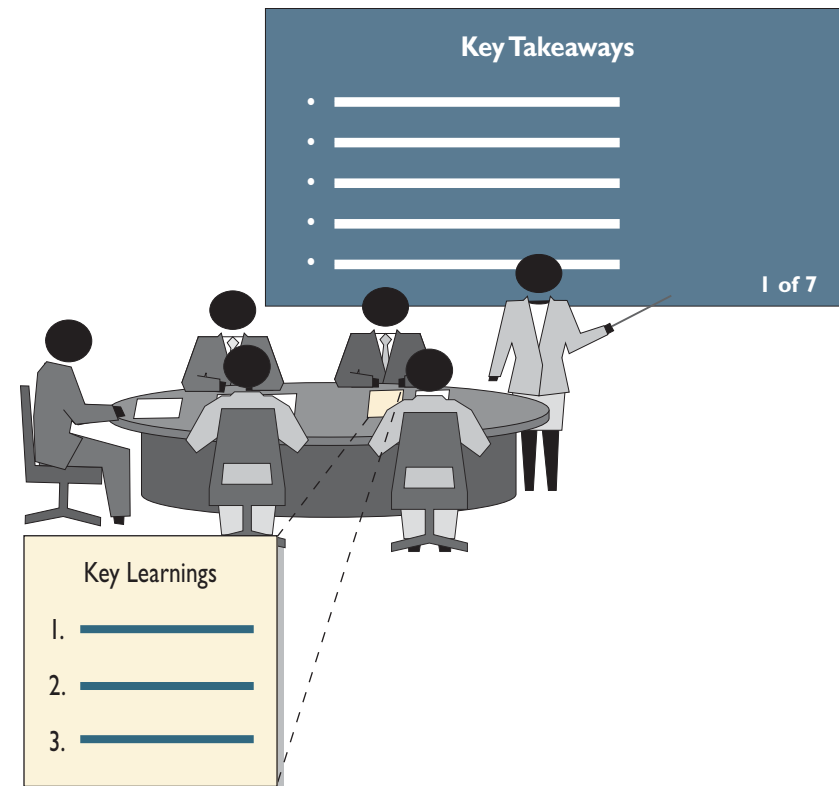
Presenting Reports

Instead of cumbersome decks with extraneous information...



Seven Slide Rule Executive Presentation

...executive's attention is focused on exactly what they need to know



Getting the “M.O.S.T.” Out of Every Page

Write the script for the page in your deck; each page flows together and builds from the previous page

The M.O.S.T. Technique

1

MOVE-IN: Nail the key point moving into the page.

2

ORIENT: Walk through graphics, detail main components, and explain how they support the key point.

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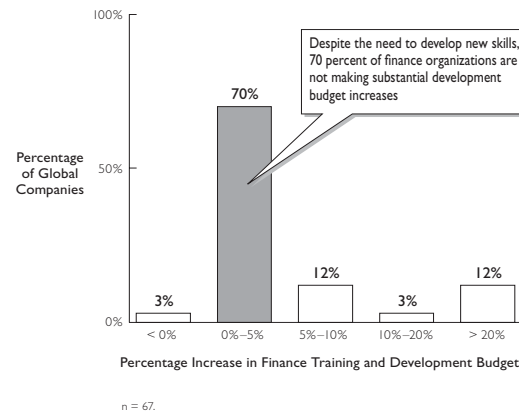
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BUILDING THE NEXT-GENERATION FINANCE TEAM

3

SUMMARIZE: Review the page reiterating the key point (NOTE: Summary may include a piece of detail to emphasize point).

4

TRANSITION: Exit the page crystallizing points going out of page simultaneously setting up the question the subsequent page answers.

Source: CIO Executive Board, 2007 IT Budget and Spending Benchmarks: Key Findings from the CIO Executive Board's Annual IT Budget and Spending Survey, 2007, p. 13.

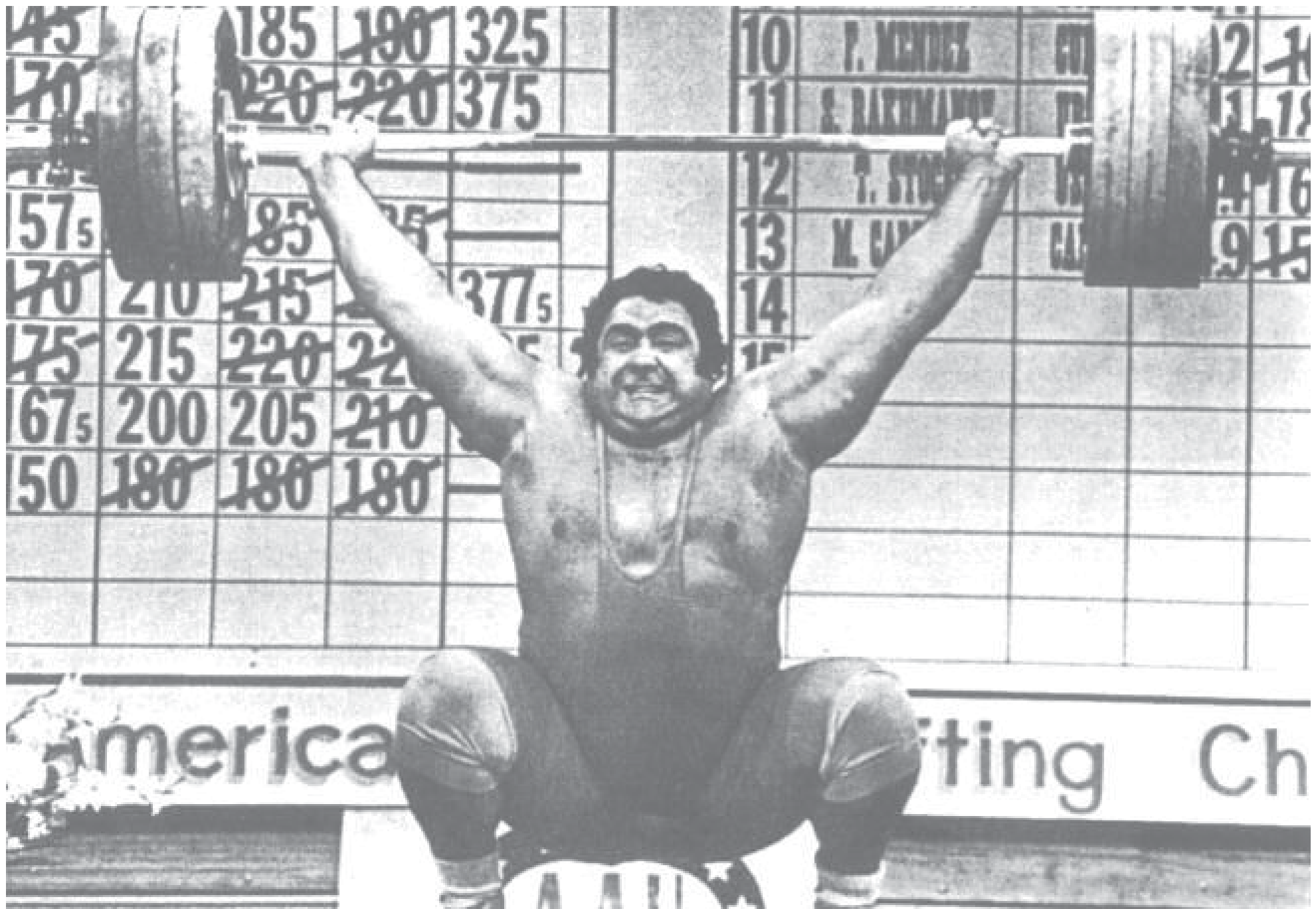
Key Takeaway

An executive presentation is a short, crisp delivery of unique insight.

It is characterized by:

- Economy of language
- Force of ideas

It provides actionable intelligence to inform decisions throughout the enterprise.



Source: Audit Director Roundtable research.



20 August 2009

Thank You!

Government Finance Roundtable

Washington, D.C. • Chicago • San Francisco • London • New Delhi • Sydney

www.gfr.executiveboard.com

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